

(2) The following are reviewed at least annually:

(i) Keno, including but not limited to, game write and payout procedures, sensitive key location and control, and a review of keno auditing procedures;

(ii) Card games, including but not limited to, card games operation, monetary exchange procedures, shill transactions, and count procedures;

(iii) Bingo, including but not limited to, bingo card control, payout procedures, and cash reconciliation process;

(iv) Complimentary service or item, including but not limited to, procedures whereby complimentary service items are issued and authorized;

(v) Cage and credit procedures including all cage, credit and collection procedures, and the reconciliation of trial balances to physical instruments on a sample basis. Cage accountability shall be reconciled to the general ledger;

(vi) Pari-mutual wagering, including write and payout procedures, and pari-mutual auditing procedures;

(vii) Electronic data processing functions, including review for compliance with EDP standards.

(3) In addition to the observation and examinations performed under paragraphs (e) (1) and (2) of this section, follow-up observations and examinations shall be performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, the independent accountant, and/or the Commission. The verification shall be performed within six months following the date of notification.

(4) Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without the employees being forewarned that their activities will be observed). Additionally, if the independent accountant also performs the internal audit function, the accountant shall perform separate observations of the table games/gaming machine drops and counts to satisfy the internal audit observation requirements and independent accountant tests of controls as required by the AICPA Guide.

(f) Reports documenting audits performed shall be maintained and made available to the Commission upon re-

quest. The audit reports shall include the following information:

(1) Audit objectives;

(2) Audit procedures and scope;

(3) Findings and conclusions;

(4) Recommendations, if applicable; and

(5) Management's response.

§ 542.15 What are the minimum internal control standards for surveillance?

(a) The surveillance system shall be maintained and operated from a surveillance room and shall provide surveillance over gaming areas. Tier A gaming operations shall not be required to have a surveillance room if the gaming operation maintains and operates an unmanned surveillance system in a secured location whereby the areas under surveillance are continually video taped.

(b) The entrance to the surveillance room or secured location shall be located so that it is not readily accessible by either gaming operation employees who work primarily on the casino floor, or the general public.

(c) Access to a surveillance room shall be limited to surveillance personnel, key employees and other persons authorized in accordance with the gaming operation policy. Authorized surveillance personnel shall maintain sign-in logs of authorized persons entering the surveillance room.

(d) Surveillance room equipment shall have total override capability over all other satellite surveillance equipment located outside the surveillance room.

(e) For all Tier B and C gaming operations, in the event of power loss to the surveillance system, an auxiliary or backup power source shall be available and capable of providing immediate restoration of power to all elements of the surveillance system that enable surveillance personnel to observe the table games remaining open for play and all areas covered by dedicated cameras.

(f) The surveillance system shall include date and time generators which possess the capability to display the date and time of recorded events on video tape recordings. The displayed

date and time shall not significantly obstruct the recorded view.

(g) The surveillance room shall be staffed for all shifts and activities by personnel trained in the use of the equipment, knowledge of the games and house rules.

(h) Each video camera required by the standards in this section shall be installed in a manner that will prevent it from being readily obstructed, tampered with or disabled by patrons or employees.

(i) Each video camera required by the standards in this section shall possess the capability of having its picture displayed on a video monitor and recorded. The surveillance system shall include sufficient numbers of monitors and recorders to simultaneously display and record multiple gaming and count room activities, and record the views of all dedicated cameras and motion activated dedicated cameras.

(j) Reasonable effort shall be made to repair each malfunction of surveillance system equipment required by the standards in this section within seventy-two (72) hours after the malfunction is discovered.

(k) In the event of a dedicated camera malfunction, the gaming operation shall immediately provide alternative camera coverage or other security measures, such as additional supervisory or security personnel, to protect the subject activity.

(l) Each gaming machine offering a payout of more than \$250,000 shall be monitored by dedicated camera(s) to provide coverage of:

(1) All patrons and employees at the gaming machine, and

(2) The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine;

(m) Notwithstanding paragraph (l) of this section, if the gaming machine is a multi-game machine, the gaming operation with the approval of the Tribe may develop and implement alternative procedures to verify payouts.

(n) The surveillance system of all Tier B and C gaming operations shall monitor and record a general overview of the activities occurring in each gaming machine change booth.

(o) The surveillance system of gaming operations operating four (4) or

more table games shall provide at a minimum one (1) pan-tilt-zoom camera per two tables and surveillance must be capable of taping:

(1) With sufficient clarity to identify patrons and dealers; and

(2) With sufficient coverage and clarity to simultaneously view the table bank and determine the configuration of wagers, card values and game outcome.

(p) The surveillance system of gaming operations operating three (3) or less table games shall:

(1) Comply with the requirements of paragraph (n) of this section; or

(2) Have one (1) overhead camera at each table.

(q) All craps tables shall have two (2) stationary cross view cameras covering both ends of the table. All roulette areas shall have one (1) overhead stationary camera covering the roulette wheel and shall also have one (1) stationary overview of the play of the table. All big wheel games shall have one (1) stationary camera viewing the wheel.

(r) Each progressive table game with a potential progressive jackpot of \$25,000 or more shall be recorded and monitored by dedicated cameras that provide coverage of:

(1) The table surface, sufficient that the card values and card suits can be clearly identified;

(2) An overall view of the entire table with sufficient clarity to identify patrons and dealer; and

(3) A view of the progressive meter jackpot amount. If several tables are linked to the same progressive jackpot meter, only one meter need be recorded.

(s) The surveillance system shall possess the capability to monitor the keno and bingo ball drawing device or random number generator which shall be recorded during the course of the draw by a dedicated camera or automatically activated camera with sufficient clarity to identify the balls drawn or numbers selected.

(t) The surveillance system shall monitor and record general activities in each keno game area with sufficient clarity to identify the employees performing the different functions.

(u) The surveillance system in the bingo game area shall monitor and record the game board and the activities of the employees responsible for drawing, calling, and entering the balls drawn or numbers selected.

(v) The surveillance system shall monitor and record general activities in each race book, sports pool and pari-mutuel book ticket writer and cashier area with sufficient clarity to identify the employees performing the different functions.

(w) The surveillance system shall monitor and record a general overview of activities occurring in each cage and vault area with sufficient clarity to identify employees within the cage and patrons and employees at the counter areas. Each cashier station shall be equipped with one (1) stationary overhead camera covering the transaction area. The surveillance system shall be used as an overview for cash transactions. This overview should include the customer, the employee and the surrounding area. This standard is optional for Tier A gaming operations.

(x) The cage or vault area in which fills and credits are transacted shall be monitored and recorded by a dedicated camera or motion activated dedicated camera that provides coverage with sufficient clarity to identify the chip values and the amounts on the fill and credit slips. Controls provided by a computerized fill and credit system may be deemed an adequate alternative to viewing the fill and credit slips.

(y) The surveillance system shall monitor and record all areas where currency or coin may be stored or counted, including the soft and hard count rooms, all doors to the soft and hard count rooms, all scales and wrapping machines and all areas where uncounted currency and coin may be stored during the drop and count process. Tier C gaming operations shall also maintain audio capability of the soft count room. The surveillance system shall provide for:

(1) Coverage of scales shall be sufficiently clear to view any attempted manipulation of the recorded data.

(2) Monitoring and recording of the table games drop box storage rack or

area by either a dedicated camera or a motion-detector activated camera.

(3) Monitoring and recording of all areas where coin may be stored or counted including the hard count room, all doors to the hard count room, all scales and wrapping machines, and all areas where uncounted coin may be stored during the drop and count process.

(4) Monitoring and recording of soft count room, including all doors to the room all drop boxes, safes, and counting surfaces, and all count team personnel. The counting surface area must be continuously monitored by a dedicated camera during the soft count.

(5) Monitoring and recording of all areas where currency is sorted, stacked, counted, verified, or stored during the soft count process.

(z) All video recordings of coverage provided by the dedicated cameras or motion-activated dedicated cameras required by the standards in this section shall be retained for a minimum of seven (7) days. Recordings involving suspected or confirmed gaming crimes, unlawful activity, or detentions and questioning by security personnel, must be retained for a minimum of thirty (30) days. Recordings of all linked systems (bingo, ball draws, gaming machines, etc.) shall be maintained for at least thirty (30) days.

(aa) Video recordings shall be provided to the Commission upon request.

(bb) A video library log shall be maintained to demonstrate the storage, identification, and retention standards required in this section have been complied with.

(cc) Each tribe shall maintain a log that documents each malfunction and repair of the surveillance system as defined in this section. The log shall state the time, date, and nature of each malfunction, the efforts expended to repair the malfunction, and the date of each effort, the reasons for any delays in repairing the malfunction, the date the malfunction is repaired, and where applicable, any alternative security measures that were taken.

(dd) Each gaming operation shall maintain a surveillance log of all surveillance activities in the surveillance room. The log shall be maintained by surveillance room personnel and shall

be stored securely within the surveillance department. At a minimum, the following information shall be recorded in a surveillance log:

- (1) Date and time each surveillance commenced;
- (2) The name and license credential number of each person who initiates, performs, or supervises the surveillance;
- (3) Reason for surveillance including the name, if known, alias, or description of each individual being monitored, and a brief description of the activity in which the person being monitored is engaging;
- (4) The times at which each video or audio tape recording is commenced and terminated;
- (5) The time at which each suspected criminal offense is observed along with a notation of the reading on the meter, counter, or device specified in paragraph (f) of this section that identifies the point on the video tape at which such offense was recorded;
- (6) Time of termination of surveillance; and
- (7) Summary of the results of the surveillance.

§ 542.16 What are the minimum internal control standards for electronic data processing?

(a) General controls for gaming hardware and software. (1) Management shall take an active role in making sure that physical and logical security measures are implemented, maintained, and adhered to by personnel to prevent unauthorized access which could cause errors or compromise data or processing integrity.

(i) Management shall ensure that all new gaming vendor hardware and software agreements/contracts will require the vendor to adhere to the tribal minimum internal control standards.

(ii) Physical security measures shall exist over computer, computer terminals and storage media to prevent unauthorized access and loss of integrity of data and processing.

(iii) Access to systems software and application programs shall be limited to authorized personnel.

(iv) Access to computer data shall be limited to authorized personnel.

(v) Access to computer communications facilities, or the computer system, and information transmissions shall be limited to authorized personnel.

(vi) Standards in paragraph (a)(1) of this section shall apply to each applicable department within the gaming operation.

(2) The main computers (i.e., hardware, software and data files) for each gaming application (e.g., keno, race and sports, gaming machines, etc.) shall be in a secured area with access restricted to authorized persons, including vendors.

(3) Access to computer operations shall be restricted to authorized personnel to reduce the risk of loss of integrity of data or processing.

(4) Incompatible duties shall be adequately segregated and monitored to prevent error in general EDP/MIS procedures to go undetected or fraud to be concealed.

(5) Non-EDP/MIS personnel shall be precluded from having unrestricted access to the secured computer areas.

(6) The computer systems, including application software, shall be secured through the use of passwords or other approved means where applicable. Management personnel or persons independent of the department being controlled shall assign and control access to system functions.

(7) Passwords shall be controlled as follows unless otherwise addressed in the standards in this section.

(i) Each user shall have their own individual password; and (ii) Passwords shall be changed at least quarterly with changes documented.

(8) Adequate backup and recovery procedures shall be in place which include:

- (i) Frequent backup of data files;
- (ii) Backup of all programs;
- (iii) Secured off-site storage of all backup data files and programs, or other adequate protection; and
- (iv) Recovery procedures which are tested at least annually with documentation of results.

(9) Adequate system documentation shall be maintained, including descriptions of hardware and software, operator manuals, etc.